

Medical Assistance Services

Analyst: Burns

Historical Summary

OPERATING BUDGET	FY 2002 Total App	FY 2002 Actual	FY 2003 Approp	FY 2004 Request	FY 2004 Gov Rec
BY FUND CATEGORY					
General	224,161,600	223,145,700	240,299,400	258,957,900	256,124,400
Dedicated	23,786,300	41,975,700	26,861,000	48,751,300	48,751,300
Federal	562,091,600	539,938,800	590,646,100	621,435,500	614,694,300
Total:	810,039,500	805,060,200	857,806,500	929,144,700	919,570,000
Percent Change:		(0.6%)	6.6%	8.3%	7.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	11,925,400	10,840,000	11,996,500	12,439,900	12,954,400
Operating Expenditures	24,796,900	17,405,100	24,792,800	18,759,800	18,474,300
Capital Outlay	788,600	225,500	0	205,000	160,200
Trustee/Benefit	772,528,600	776,589,600	820,967,200	897,740,000	887,981,100
Lump Sum	0	0	50,000	0	0
Total:	810,039,500	805,060,200	857,806,500	929,144,700	919,570,000
Full-Time Positions (FTP)	197.40	208.69	195.69	209.56	233.56

Division Description

The Division of Medical Assistance has responsibilities that include administering plans to finance and deliver health services for people at risk due to low income and other factors, such as youth, old age, pregnancy, or disability, pursuant to state and federal Medicaid requirements. Additional responsibilities involve licensing and certification of health facilities to meet state and federal requirements and to participate in Medicaid and Medicare.

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2003 Original Appropriation	195.69	240,299,400	857,806,500	195.69	240,299,400	857,806,500
Reappropriations	0.00	0	9,637,500	0.00	0	9,637,500
Budget Reduction (Neg. Supp.)	24.00	(5,493,600)	(18,692,100)	24.00	(2,680,800)	(9,006,100)
FY 2003 Total Appropriation	219.69	234,805,800	848,751,900	219.69	237,618,600	858,437,900
Expenditure Adjustments	13.87	(711,200)	15,241,400	13.87	(711,200)	15,241,400
FY 2003 Estimated Expenditures	233.56	234,094,600	863,993,300	233.56	236,907,400	873,679,300
Removal of One-Time Expenditures	0.00	0	(9,750,800)	0.00	0	(9,750,800)
Base Adjustments	0.00	(1,677,200)	(5,833,000)	0.00	(1,677,200)	(5,833,000)
Restore Budget Reduction	(24.00)	5,493,600	18,692,100	0.00	0	0
FY 2004 Base	209.56	237,911,000	867,101,600	233.56	235,230,200	858,095,500
Personnel Cost Rollups	0.00	60,700	156,300	0.00	69,800	185,500
Inflationary Adjustments	0.00	9,798,800	33,906,800	0.00	7,241,200	25,103,200
Replacement Items	0.00	106,200	205,000	0.00	82,900	160,200
Nonstandard Adjustments	0.00	8,078,600	27,658,700	0.00	10,492,000	36,025,600
Change in Employee Compensation	0.00	45,200	116,300	0.00	0	0
Fund Shifts	0.00	2,957,400	0	0.00	3,008,300	0
FY 2004 Total	209.56	258,957,900	929,144,700	233.56	256,124,400	919,570,000
Change from Original Appropriation	13.87	18,658,500	71,338,200	37.87	15,825,000	61,763,500
% Change from Original Appropriation		7.8%	8.3%		6.6%	7.2%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2003 Original Appropriation					
	195.69	240,299,400	26,861,000	590,646,100	857,806,500
Reappropriations					
Reflects carry over authority of unexpended funds from the previous fiscal year.					
Agency Request	0.00	0	9,637,500	0	9,637,500
Governor's Recommendation	0.00	0	9,637,500	0	9,637,500
Budget Reduction (Neg. Supp.)					
Reduces the hours of case management in mental health and developmental disability services; increases the degree of disability for waived services; reduces the administrative fee for residential habilitation agencies; reduces hospital reimbursement by 3.5%; implements a First Choice Drug Program and a Preferred Drug List; and increases staffing and operating expenses to implement these noted changes.					
Agency Request	24.00	(5,493,600)	0	(13,198,500)	(18,692,100)
Governor's Recommendation	24.00	(2,680,800)	0	(6,325,300)	(9,006,100)
FY 2003 Total Appropriation					
Agency Request	219.69	234,805,800	36,498,500	577,447,600	848,751,900
Governor's Recommendation	219.69	237,618,600	36,498,500	584,320,800	858,437,900
Expenditure Adjustments					
Includes transfers between programs; adjustments in receipts to bring them in line with anticipated on-going collections; adjustments in federal match; and FTP adjustments to bring them in line with the Department's distribution of FTP authority.					
Agency Request	13.87	(711,200)	21,907,900	(5,955,300)	15,241,400
Governor's Recommendation	13.87	(711,200)	21,907,900	(5,955,300)	15,241,400
FY 2003 Estimated Expenditures					
Agency Request	233.56	234,094,600	58,406,400	571,492,300	863,993,300
Governor's Recommendation	233.56	236,907,400	58,406,400	578,365,500	873,679,300
Removal of One-Time Expenditures					
Remove funding provided for one-time items.					
Agency Request	0.00	0	(9,687,500)	(63,300)	(9,750,800)
Governor's Recommendation	0.00	0	(9,687,500)	(63,300)	(9,750,800)
Base Adjustments					
Reflects transfers between programs.					
Agency Request	0.00	(1,677,200)	0	(4,155,800)	(5,833,000)
Governor's Recommendation	0.00	(1,677,200)	0	(4,155,800)	(5,833,000)
Restore Budget Reduction					
Agency Request	(24.00)	5,493,600	0	13,198,500	18,692,100
The Governor recommends that reductions made in appropriations in fiscal year 2003 not be restored to the budget base.					
Governor's Recommendation	0.00	0	0	0	0
FY 2004 Base					
Agency Request	209.56	237,911,000	48,718,900	580,471,700	867,101,600
Governor's Recommendation	233.56	235,230,200	48,718,900	574,146,400	858,095,500

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Personnel Cost Rollups					
Includes the employer portion of estimated changes in employee benefit costs.					
Agency Request	0.00	60,700	0	95,600	156,300
<i>The Governor also recommends additional funding to be applied to the employee paid portion of health and dental insurance cost increases, in order to prevent employees from experiencing a reduction in take-home pay.</i>					
Governor's Recommendation	0.00	69,800	0	115,700	185,500
Inflationary Adjustments					
Includes \$436,000 (\$143,900 General Fund) for a general inflationary increase of 2.4%, and \$32,780,900 (\$9,514,700 General Fund) for a medical inflationary increase of 4%.					
Agency Request	0.00	9,798,800	0	24,108,000	33,906,800
<i>The Governor recommends no increase for general inflation, and a 3% increase for medical inflation.</i>					
Governor's Recommendation	0.00	7,241,200	0	17,862,000	25,103,200
Replacement Items					
Includes \$10,700 (\$5,400 General Fund) for miscellaneous office equipment, \$179,600 (\$93,400 General Fund) for vehicle replacement, and \$14,700 (\$7,400 General Fund) for computer equipment.					
Agency Request	0.00	106,200	0	98,800	205,000
<i>Includes \$134,800 (\$70,100 General Fund) to replace six vehicles, \$14,700 (\$7,400 General Fund) to replace existing laptop computers on a three year cycle, and \$10,700 (\$5,400 General Fund) to replace miscellaneous office and computer equipment.</i>					
Governor's Recommendation	0.00	82,900	0	77,300	160,200
Nonstandard Adjustments					
The trend in Medicaid eligible recipients has shown a steady increase. The average monthly caseload in FY 2002 was approximately 141,954 compared with the average monthly caseload in FY 2003 projected to be 151,512. This represents about a 6.7% increase in the average number of eligible recipients per month. There has been a corresponding increase in spending. The average weekly benefit payroll, adjusted for one-time payments for Upper Payment Limit, and Disproportionate Share Hospitals, increased by \$1,376,300 for the first quarter of fiscal year 2003. The increase in the number of eligible recipients has resulted in increased expenditures on benefits, which cannot be covered by standard inflation amounts. A total of \$27,499,500 (\$8,002,200 General Fund) is requested to cover anticipated Medicaid benefit payments. In addition, \$159,200 (\$76,400 General Fund) is requested to cover increased rent and insurance costs.					
Agency Request	0.00	8,078,600	32,400	19,547,700	27,658,700
Governor's Recommendation	0.00	10,492,000	32,400	25,501,200	36,025,600
Change in Employee Compensation					
Reflects the cost of a 1% salary increase for permanent and group positions.					
Agency Request	0.00	45,200	0	71,100	116,300
<i>The Governor does not recommend new funding for state employee pay increases. Compensation increases may be funded with agency salary savings wherever possible.</i>					
Governor's Recommendation	0.00	0	0	0	0
Fund Shifts					
Shifts moneys from federal funds to the General Fund due to changes in the Federal Medical Assistance Participation (FMAP) rate, which has gone from 70.96% to 70.46%.					
Agency Request	0.00	2,957,400	0	(2,957,400)	0
Governor's Recommendation	0.00	3,008,300	0	(3,008,300)	0

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FY 2004 Total					
Agency Request	209.56	258,957,900	48,751,300	621,435,500	929,144,700
<i>Governor's Recommendation</i>	233.56	256,124,400	48,751,300	614,694,300	919,570,000
Agency Request					
Change from Original App	13.87	18,658,500	21,890,300	30,789,400	71,338,200
% Change from Original App	7.1%	7.8%	81.5%	5.2%	8.3%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	37.87	15,825,000	21,890,300	24,048,200	61,763,500
<i>% Change from Original App</i>	19.4%	6.6%	81.5%	4.1%	7.2%